

Exhibit 300: Capital Asset Summary

Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview & Summary Information

Date Investment First Submitted: 2011-09-15
Date of Last Change to Activities: 2012-08-24
Investment Auto Submission Date: 2012-02-28
Date of Last Investment Detail Update: 2012-02-28
Date of Last Exhibit 300A Update: 2012-02-28
Date of Last Revision: 2012-08-24

Agency: 016 - Social Security Administration **Bureau:** 00 - Agency-Wide Activity

Investment Part Code: 01

Investment Category: 00 - Agency Investments

1. Name of this Investment: Earnings Redesign

2. Unique Investment Identifier (Ull): 016-000002145

Section B: Investment Detail

- 1. Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

The Social Security Administration's (SSA's) Earnings Redesign (ER) investment will streamline and modernize the current systems in order to ensure that records of earnings are timely and accurate. Having accurate and timely earnings information is fundamental to achieving SSA's strategic goals of calculating accurate benefits, minimizing improper payments and protecting program funds from waste, fraud, and abuse. SSA's earnings information is also used by the Internal Revenue Service (IRS) to determine tax liability and by the Centers for Medicare and Medicaid Services (CMS) to determine eligibility and calculate premiums. The current earnings system, known as the Earnings Records Management System (ERMS), is SSA's portion of the Combined Annual Wage Reporting (CAWR) Program coordinated with IRS. The current ERMS processes self-employment earnings from the IRS; processes paper and electronic earnings information from employers; reconciles and processes corrections to reported wages; and maintains the accuracy of earnings information for all wage earners to ensure compliance with legislative and IRS reporting requirements. SSA has maintained the ERMS suite of systems according to its initial design and purpose without significant change in core processing since 1993. To meet the challenges of SSA's growing workloads and to provide the best service possible, earnings reporting processes must be simplified and streamlined, and more earnings business processes need to be moved to an electronic environment. The ER investment will

streamline and expand the capabilities of ERMS in ways that will improve the overall accuracy of earnings information while enabling SSA to more flexibly support ongoing compliance with legislative requirements, regulations, and IRS mandates. SSA will update, simplify, and streamline the earnings collection and management processes to take advantage of current technology, ensure efficiency and consistency in service, improve the flow and speed of earnings processes, and reduce manual processes. Specifically, the ER investment will increase the amount of electronic wage reporting from a wider range of employers and automate or eliminate outdated manual earnings-based processes. It will also leverage modern technology and the Internet to maximize secure, easy-to-use, available services.

2. How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.

Modernizing and streamlining the ERMS will improve SSA performance in ensuring that employers submit correct wage and tax withholding information to both the SSA and the IRS. Maintaining accurate earnings is essential to accomplishing Strategic Goal 4 of the Agency Strategic Plan for Fiscal Years (FY) 2008-2013, which aims to minimize improper payments, protect personally identifiable information (PII), and shield program funds from waste, fraud, and abuse. Redesigning the earnings management processes and supporting technology will enable SSA's beneficiary programs such as the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs, to perform their functions in a more accurate and timely manner. As ER increases the accuracy and timeliness of wage reports and earnings data, it will improve the controls that minimize improper payments and detect fraud, waste and abuse. Controls will also cover the secure exchange of accurate wage information with IRS, employers, state Agencies, and third party reporters. If this investment is not fully funded, SSA would not be able to move forward with the systems modernization necessary to automate or eliminate outdated manual earnings information processing, unify multiple earnings records management tools, meet the expectations of internet centric customers, and update the technical architecture of the system. Lack of funding to support the ongoing operation and maintenance of the existing system would jeopardize our ability to receive and maintain earnings information in support of our benefit programs and to comply with legislative and IRS requirements.

3. Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.

ER will be a new major investment in FY2012. In FY2011, SSA began to prepare for the redesign process in the areas of wage reporting/reconciliation/correction. To improve wage reporting, SSA implemented improvements in the Annual Wage Reporting (AWR) subsystem to reduce technology conflicts and manual interventions for nightly processing. SSA began Planning and Analysis (P&A) activities for AWR business process enhancements and Internet-based wage data entry to improve user-friendliness and increase the volume and speed of electronic reporting. SSA also implemented the Earnings Case Management System (ECMS) that subsumed the corrections operational microfilm workload and a new Management Information System to improve case accounting and provide user-friendly reporting. SSA added revised error handling for IRS-initiated Self-Employment Corrections in a separate release, and conducted only P&A efforts to scope integration of IRS/SSA

Reconciliation workload processes into ECMS.

4. Provide a list of planned accomplishments for current year (CY) and budget year (BY).

As a new major investment in FY2012, ER will begin redesigning the legacy ERMS in two specific areas: Wage Reporting, including AWR and Internet Electronic Wage Reporting (EWR), and Reconciliation/Corrections via the Earnings Case Management System (ECMS). These two areas link directly to accuracy of reported earnings, which support efforts to minimize improper payments. To improve accuracy of Wage Reporting, SSA will develop additional AWR processing improvements and selected aspects of a new technical architecture. In FY2012, Self Employment processing will be moved from mainstream AWR and placed into a separate path to facilitate redesigning the wage reporting processes. In FY2013, SSA will design and develop recommended business processes and technical enhancements to prepare for potential early wage reporting requirements from the IRS, increased electronic submissions, and reduction in paper reporting in AWR. EWR will develop more user-friendly wage data entry, enhance employer electronic reporting, and expand Internet wage reporting capabilities to U.S. Territories. To improve accuracy of reported wages through Reconciliation/Correction, ECMS will target selected aspects of the IRS/SSA reconciliation process for redesign in preparation for a FY2013 release. To improve these processes, ER will redesign archaic paper exchanges and duplicative correction functionality to ensure end-to-end auditability of wage reporting discrepancies. It will also aid efficiency and consistency in service, and lay the groundwork for improving the flow and speed of other Corrections processes. SSA will make enhancements to ECMS Management Information (MI) for reconciliation in response to customer demands for additional accounting information. In FY2013, SSA will implement targeted Reconciliation/Correction workloads into ECMS with enhanced MI reporting capabilities. SSA will also streamline or automate specific manual operational processes to eliminate paper and manual workloads. Each year ER will continue to support existing ERMS legacy systems until transitioned to the new system to meet Inter-Agency Agreement requirements with the IRS. Legacy systems will process self employment data, wage reports, reconciliations and corrections according to actuarial requirements. ER will process, prepare and post adjustments to earnings records, ensure repair of errors in a timely manner, and update legacy-processing tables with new tax year monetary guidelines.

5. Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified fully-dedicated IT program manager, a contract specialist, an information technology specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.

2011-09-12

Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding

	PY-1 & Prior	PY 2011	CY 2012	BY 2013
Planning Costs:	\$0.0	\$0.0	\$0.0	\$0.0
DME (Excluding Planning) Costs:	\$0.0	\$2.2	\$0.5	\$1.8
DME (Including Planning) Govt. FTEs:	\$0.0	\$0.2	\$8.4	\$8.9
Sub-Total DME (Including Govt. FTE):	0	\$2.4	\$8.9	\$10.7
O & M Costs:	\$0.0	\$2.2	\$0.5	\$1.8
O & M Govt. FTEs:	\$0.0	\$0.2	\$8.7	\$8.9
Sub-Total O & M Costs (Including Govt. FTE):	0	\$2.4	\$9.2	\$10.7
Total Cost (Including Govt. FTE):	0	\$4.8	\$18.1	\$21.4
Total Govt. FTE costs:	0	\$0.4	\$17.1	\$17.8
# of FTE rep by costs:	0	3	134	135
Total change from prior year final President's Budget (\$)		\$4.7	\$18.1	
Total change from prior year final President's Budget (%)		0.00%	0.00%	

2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:

Earnings Redesign is a new Major investment for the BY2013 submission, therefore there were no costs reported in FY11 or FY12 in the President's Budget for FY12.

Section D: Acquisition/Contract Strategy (All Capital Assets)

Table I.D.1 Contracts and Acquisition Strategy

Contract Type	EVM Required	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	IDV Agency ID	Solicitation ID	Ultimate Contract Value (\$M)	Type	PBSA ?	Effective Date	Actual or Expected End Date
Awarded	2800	SS001060082									
Awarded	2800	SS001060107									
Awarded	2800	SS001060108									

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

Exhibit 300B: Performance Measurement Report

Section A: General Information

Date of Last Change to Activities: 2012-08-24

Section B: Project Execution Data

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
ER0201	Wage Reporting	Software development projects to enhance the receipt of annual wage reports from employers and from the IRS.			
ER0202	Reconciliation/Corrections	Software development projects to enhance the reconciliation and correction processes. The reconciliation process compares earnings reported to the Social Security Administration against earnings reported to the Internal Revenue Service. The Corrections process involves processing corrections to erroneously reported wage reports submitted by employers.			
ER0203	Earnings Redesign Maintenance	Software maintenance activities associated with ensuring successful system processing of wage reporting, reconciliations, and corrections.			
ER0204	Earnings Redesign Cyclical Reporting	Software development projects to modify the wage reporting based on new requirements for the upcoming tax year.			

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
ER0205	Management Support	Management and overhead work years are based on the total number of FTEs and Contractors allocated to this program for project-related work.			
ER0206	Non-DCS Support	GS-2210 IT Specialists supporting major IT initiatives that work in various agency-level offices outside the Office of Systems.			

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities (\$M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance (\$M)	Cost Variance (%)	Total Planned Cost (\$M)	Count of Activities
ER0201	Wage Reporting							
ER0202	Reconciliation/Corrections							
ER0203	Earnings Redesign Maintenance							
ER0204	Earnings Redesign Cyclical Reporting							
ER0205	Management Support							
ER0206	Non-DCS Support							

Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
ER0201	EWR - Improve User Center Design with Data Entry Assist Functionality - High Level Business Requirements	Produce requirements to add Data Entry Assist Functionality (similar to TurboTax) to the W2 Online application.	2012-03-30	2012-03-30	2012-03-30	87	0	0.00%

Key Deliverables								
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
ER0201	EWR - Continue to Upgrade and Improve EWR User-Centered Design	Develop and Validate Data Entry Assist Functionality (similar to TurboTax) for the W2 Online application.	2012-03-30	2012-03-30	2012-03-30	179	0	0.00%
ER0201	EWR - Continue to Upgrade & Improve Territorial Electronic Wage Report - High Level Business Requirements	Produce high level requirements for adding the Puerto Rico Territorial form to W-2 Online as well as produce detailed requirements for adding the Northern Marianas form to W-2 Online.	2012-03-30	2012-03-30	2012-03-30	87	0	0.00%
ER0202	ECMS Release 2.0	Perform implementation and post-implementation activities for automation of self-employment adjustment errors in ECMS.	2012-03-30	2011-11-18	2011-11-17	179	134	74.86%
ER0202	ECMS Release 3.0 - Planning and Requirements Phase	Perform planning, analysis, and develop requirements to integrate selected Reconciliation processes into ECMS.	2012-03-30	2012-03-30	2012-03-30	179	0	0.00%
ER0201	AWR Redesign Release 1.0 - Phase 2	Testing and implementation of software to streamline special wage payments and earnings adjustment processing.	2012-03-30	2012-03-30	2012-03-30	179	0	0.00%
ER0201	AWR Perf Improvement Release 1.5	Technical enhancements to improve AWR processing time.	2012-03-30	2012-03-30	2012-03-30	179	0	0.00%

Key Deliverables								
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
ER0201	AWR Redesign Release 2.0 - High Level Business Requirements	Produce high level business requirements for AWR Redesign Release 2.	2012-03-30	2012-03-30	2012-03-30	179	0	0.00%
ER0201	EWR - Improve User Center Design with Data Entry Assist Functionality - Requirements Development and Validation	Produce requirements to add Data Entry Assist Functionality (similar to TurboTax) to the W2 Online application.	2012-09-30	2012-09-30		182	0	0.00%
ER0201	EWR - Continue to Upgrade & Improve Territorial Electronic Wage Report - Requirements Development and Validation	Develop and Validate the Northern Marianas form to W-2 Online.	2012-09-30	2012-09-30		182	0	0.00%
ER0202	ECMS Release 3.0 - Construction Phase	Design and develop software to integrate selected Reconciliation processes into ECMS.	2012-09-30	2012-09-30		182	0	0.00%
ER0201	AWR Redesign Release 2.0 - Functional and Systems Requirements	Produce functional and system requirements for AWR Redesign Release 2.	2012-09-30	2012-09-30		182	0	0.00%

Section C: Operational Data

Table II.C.1 Performance Metrics

Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency
Process 99% of Actuarial Annual Wage Report Estimates for given Tax Year by September 30	Percent	Technology - Quality Assurance	Over target	100.620000	99.000000	100.000000	99.000000	Quarterly
Reduce the percentage of paper Forms W-2 completed	Percent	Technology - Efficiency	Under target	15.000000	15.500000	14.400000	14.000000	Semi-Annual
Maintain the percent of people rating our services as "excellent," "very good," or "good"	Percent	Customer Results - Customer Benefit	Over target	78.200000	83.500000	81.400000	83.500000	Semi-Annual
American Customer Satisfaction Index (ACSI) score for Business Services Online is 80 or better (top performing)	ASCI numeric score	Customer Results - Customer Benefit	Over target	82.000000	80.000000	84.000000	80.000000	Quarterly
BSO Online EWR Internet application external accessibility is rated at color green (excluding scheduled outages)	Color legend associated with Percent	Technology - Reliability and Availability	Over target	100.000000	98.000000	99.000000	98.000000	Monthly